

LEKWA LOCAL MUNICIPALITY

2018/2019 SDBIP



Contents...

1. Approval by his Worship the Mayor	1
2. Introduction by the Municipal Manager	2
3. Vision, mission, values and strategic direction	5
4. Our budget	19
4.1 Budget Summary	20
4.1.1 Revenue by source	20
4.1.2 Revenue by standard classification	21
4.1.3 Grants and subsidies	22
4.1.4 Expenditure by type	23
4.1.5 Expenditure by standard classification	24
4.1.6 Capital expenditure by vote and function	25
5. Monthly projections of revenue	27
5.1 Monthly revenue projections by source	27
5.2 Monthly revenue projections by standard classification	29
5.3 Monthly revenue cash flow projections	30
6. Monthly projections of operating expenditure	31
6.1 Monthly operating expenditure projections by type	31
6.2 Monthly operating expenditure by standard classification	33
7. Monthly projections of capital expenditure	35
8. Quarterly projections of service delivery targets and performance indicators for each vote	36
9. 3 Year capital plan	58
10. Conclusion	60
11. Annexures	

APPROVAL BY HIS WORSHIP THE MAYOR**LEKWA LOCAL MUNICIPALITY**

I Cllr LBR Dhlamini in my capacity as the honourable Executive Mayor of Lekwa Local Municipality, hereby give my approval of the Service Delivery and Budget Implementation Plan for the 2018/19 financial year. This is to fulfil the requirement of Section 53 (1) (c) (ii) of the Municipal Finance Management Act no.56 of 2003.

Honourable Mayor, Cllr. LBR Dhlamini

20 AUGUST 2018

Date

The purpose of this document is to present the Service Delivery and Budget Implementation Plan for Lekwa Local Municipality for the 2018/19 financial year as prescribed in terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, Act No 53 of 2003. The Service Delivery Budget and Implementation Plan is defined as a detailed plan approved by the Mayor of a Municipality for implementing the Municipality's delivery of municipal services and its annual budget, and must indicate the following:

(a) Projections for each month of –

- (i) Revenue to be collected, by source; and
- (ii) Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter, and

(c) Any other matters prescribed.

According to Section 53(c)(ii) of the Municipal Finance Management Act, the Mayor is expected to approve the Service Delivery Budget Implementation Plan within 28 days after the approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the Service Delivery Budget Implementation Plan are made public within 14 days after their approval.

As per Municipal Finance Management Act Circular No 13, National Treasury currently prefers not to prescribe other matters to be included in the Service Delivery Budget and Implementation Plan. This is to ensure good governance and accountability on the part of Municipalities. However, there are five minimum requirements that the National Treasury requires to form part of the Service Delivery Budget and Implementation Plan (Municipal Finance Management Act Circular No. 13). These are outlined below:

1. Monthly projections of revenue to be collected by source;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators for each vote;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over a 3-year period.

In terms of the Municipal Finance Management Act, a Vote is a Department or a functional area of a Municipality and represents the various levels at which the Council approves the budget.

As indicated by the National Treasury in Municipal Finance Management Act Circular No 13, the biggest challenge for Municipalities is to develop meaningful non-financial service delivery targets and indicators.

2.1 Our SDBIP Process

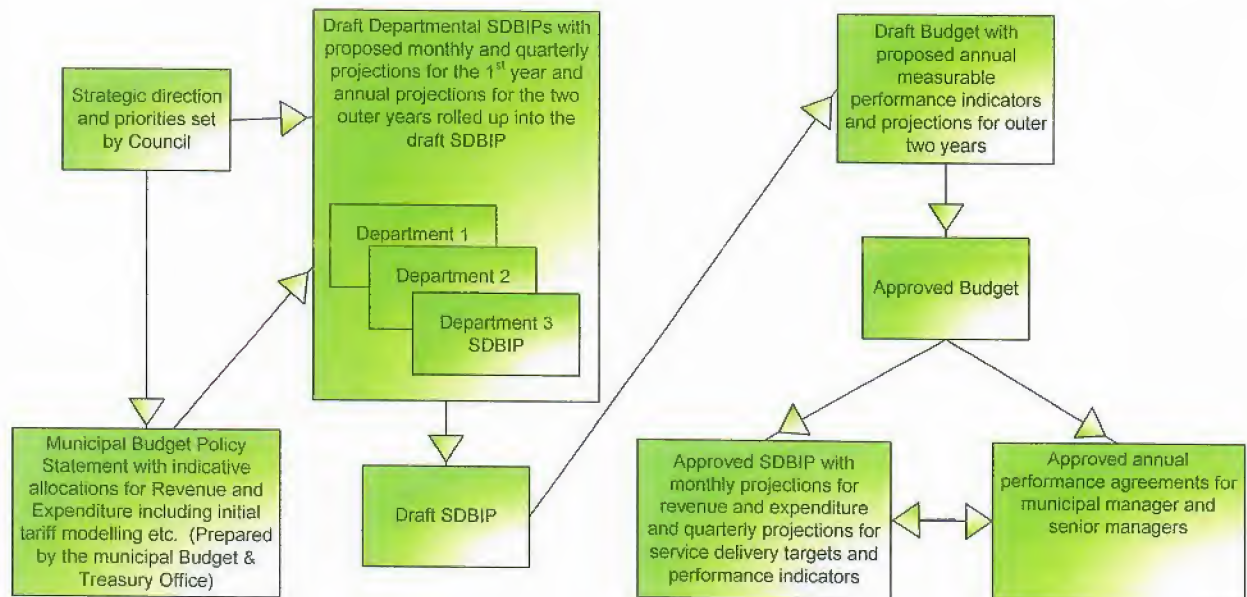


Figure 1: SDBIP Process

The Service Delivery and Budget Implementation Plan is a consolidated document, which incorporates and takes into account information contained in the Integrated Development Plan of the Municipality, Operational Plans for each Department and the budget statements for each Department within the Municipality. Consequently, the completion of the Service Delivery and Budget Implementation Plan hinges on the finalisation of the above documentation.

The Lekwa Local Municipality began its budgeting process during the 2018 year, in which Municipal Officials participated in a strategic planning session. Input into the Departments' strategic objectives and outputs for the 2018/2019 budget year were gathered and formed the basis of the individual Departmental Operational Plans.

Assigned to these strategic objectives and outputs were a set of targets, which the Municipal Officials viewed as vital to achieve in order to meet the service delivery requirements of the Lekwa Community.

Subsequently, the Integrated Development Plan of the Municipality was completed. Information in each Departmental Operational Plan (scorecards) was consolidated with other relevant information to

complete the Integrated Development Plan. Departmental budgets were developed after thorough consultative procedures with the relevant stakeholders

With all the relevant information needed for the Service Delivery and Budget Implementation Plan, work began to fulfil the requirements of Section 53 of the Municipal Finance Management Act. Initially, meetings were held with the relevant Departmental heads and staff, in which their Operational Plan and budget statements for 2018/19 year were discussed. These discussions facilitated the alignment of the strategic objectives and outputs to the budget statements, allowing for expenditure to be projected across the 2018/19 year in terms of the service delivery targets set for the strategic objectives and outputs.

3

OUR STRATEGIC DIRECTION

3.1 THE VISION STATEMENT

"To be the leading, people centred municipality excelling in economic growth, development and Governance"

3.1.1 THE STATEMENT OF INTENT (development vision)

Lekwa shall be an ultimate place for living a first class life by 2035.

Lekwa shall be the best achievable living space with the equally distributed infrastructure and service of the highest quality and standard, affording its people human development for a healthy and safe livelihood to live, work and play within a well-planned and sustainable environment.

3.2 THE MISSION STATEMENT

Lekwa municipality exists to be a leading, people-centred and responsive centre of local governance that facilitates and provides sustainable infrastructural development and basic services whilst promoting socio-economic development for all the people of Lekwa through:

- A customer focused infrastructure development and service delivery.
- A transparent, accountable, effective and efficient governance that enhances community participation in the municipal affairs.
- The promotion of human development to create a conducive environment for socio-economic development and growth.
- The promotion of a spatial and environmental management.

3.3 OUR KEY PERFORMANCE AREAS, STRATEGIC GOALS, OBJECTIVES AND STRATEGIES

3.3.1 Infrastructure and service delivery

KPA	Infrastructure and service delivery	Measurable objectives
Strategic Goal	1. Equal access to a customer focused sustainable basic infrastructure and services. 2. Facilitating access to health, safety and welfare facilities and services	
Strategic Objective	1.1 Improved provision of all basic infrastructure and services 2.1 Improved provision of all social services and infrastructure	
Strategies	1.1.1 Reduce water and sanitation infrastructure and service backlogs.	1.1.1.1 Provide water infrastructure to all targeted households. 1.1.1.2 Provide water service to all targeted households. 1.1.1.3 Maintain water service infrastructure and service for all the targeted households. 1.1.1.4 Provide sanitation infrastructure to all targeted households. 1.1.1.5 Provide sanitation service to all the targeted households. 1.1.1.6 Maintain the sanitation infrastructure for all the targeted households. 1.1.1.7 Ensure the existence of the water and sanitation provision guiding document
	1.1.2 Provide and facilitate access to electricity for all targeted households	1.1.2.1 Provide the electricity infrastructure to all targeted households. 1.1.2.2 Provide the bulk electricity service in terms of the municipal license on electricity provision. 1.1.2.3 Facilitate the provision of alternative energy 1.1.2.4 Facilitate and provide free basic electricity to all deserving households of Lekwa.
	1.1.3 Reduce the road infrastructure backlog and maintain the existing infrastructure	1.1.3.1 Ensure the existence of a road infrastructure provision framework 1.1.3.2 Construct new roads

		1.1.3.3 Maintain the existing roads
		1.1.3.4 Complete the designs and appointments for new roads
	1.1.4 Facilitate the reduction of the housing backlog	1.1.4.1 Ensure the existence of an updated Housing sector plan
		1.1.4.2 Housing backlog reduction reports submitted to council on a quarterly basis
	1.1.5 Provide efficient waste collection and management service to all targeted household	1.1.5.1 Collect waste from all targeted households
		1.1.5.2 Manage waste efficiently
	2.1.1 Provide the library services	2.1.1.1 Ensure the provision of the library services to the minimum standards.
	2.1.2 Facilitate the provision of community facilities	2.1.2.1 Construct the community facilities
		2.1.2.2 Maintain the existing community facilities
	2.1.3 Ensure the municipal contribution to HIV/AIDS	2.1.3.1 Implement the HIV/AIDS plan
		2.1.3.2 Submit quarterly reports to council on HIV/AIDS
		2.1.3.3 Maintain the functionality of the Local AIDS council
	2.1.4 Improve on road safety	2.1.4.1 Exercise the traffic law enforcement
	2.1.5 Ensure the municipal contribution to community safety	2.1.5.1 Implement a crime prevention infrastructure framework.
		2.1.5.2 Submit quarterly reports to council on community safety
	2.1.6 Facilitate the provision of sports and recreations facilities	2.1.6.1 Facilitate the construction of sports and recreation facilities
		2.1.6.2 Maintain the sports and recreation facilities
	2.1.7 Design and implement sports, arts and heritage celebration programs	2.1.7.1 Implement the municipal sports, arts and heritage celebration programme

3.3.2 Municipal and institutional development and transformation,

KPA	Municipal and institutional development and transformation	Measurable Objectives
Strategic Goal	3. Provision of transparent, accountable, effective and efficient leadership.	
Strategic Objective	3.1 Ensure a sustainable working environment	
Strategies	3.1.1 Maintain and improve the municipal policies	3.1.1.1 Review and adopt municipal policies
	3.1.2 Ensure effective and efficient human resource management	3.1.2.1 Strategically plan for the human resources
		3.1.2.2 Foster an IDP aligned municipal structure
		3.1.2.3 Fill the budgeted vacant posts
		3.1.2.4 Implement the employment equity plan
		3.1.2.5 Report labour relations matters to council on a quarterly basis.
	3.1.3 Ensure effective and efficient human resource development	3.1.3.1 Ensure the existence of an updated WSP
		3.1.3.2 Implement the WSP
	3.1.4 Improve performance	3.1.4.1 Develop and adopt the performance management system
		3.1.4.2 Set the municipal performance targets
		3.1.4.3 Set the departmental performance targets
		3.1.4.4 Align the service delivery targets with the budget
		3.1.4.5 Achieve the individual commitment to set departmental targets
		3.1.4.6 Monitor the achievement of the set targets
		3.1.4.7 Report performance to council
		3.1.4.8 Address areas of underperformance
	3.1.5 Improve information technology and document management systems	3.1.5.1 maintain the municipal document management system
		3.1.5.2 Upgrade the municipal IT infrastructure
	3.1.6 Improve on customer care	3.1.6.1 Record and attend to customer complaints

3.3.3 Financial viability and management

KPA	Financial viability and management	Measurable objectives
Strategic Goal	3. Provision of transparent, accountable, effective and efficient leadership.	
Strategic objective	3.2 Ensure a financially viable and sustainable municipality	
Strategies	3.2.1 Improve the audit opinion	3.2.1.1 Implement the Auditor general's report intervention plan
	3.2.2 Ensure the IDP aligned financial planning	3.2.2.1 Adopt the municipal IDP aligned annual budget
		3.2.2.2 Adopt the municipal IDP aligned adjustment budget
	3.2.3 Effectively and efficiently manage the expenditure of the municipality	3.2.3.1 Monitor the expenditure of the municipality's budget
		3.2.3.2 Pay all suppliers within a legislated period
		3.2.3.3 Conduct all expenditure reconciliations
		3.2.3.4 Manage the municipal assets
	3.2.4 Manage and increase the municipal revenue base	3.2.4.1 Improve the collection rate
		3.2.4.2 Conduct all revenue reconciliations
	3.2.5 Reduce the municipal debt	
	3.2.6 Ensure that the municipality acquires goods and services in terms of supply chain regulations.	3.2.6.1 Manage the supply chain processes in accordance with the municipal regulations on supply chain management.
	3.2.7 Ensure a constant and accurate financial reporting.	3.2.7.1 Perform monthly financial reporting.
		3.2.7.2 Perform quarterly financial reporting.
		3.2.7.3 Perform annual financial reporting.
	3.2.8 Ensure the existence of updated finance management strategies	3.2.8.1 Adopt an updated SCM framework.
		3.2.8.2 Adopt an updated fraud prevention plan.
		3.2.8.3 Ensure the existence of the risk management guideline

3.3.4 Good governance and public participation

KPA	Good governance and public participation	Measurable objectives
Strategic Goal	3. Provision of transparent, accountable, effective and efficient leadership.	
Strategic objective	3.3 Ensure participative, transparent and accountable governance	
Strategies	3.3.1 Improve the public participation and communication processes	3.3.1.1 Implement the municipal public participation strategy
	3.3.2 Ensure the existence and functionality of the public participation structures	3.3.1.2 Ensure the existence of the municipal communications functioning
		3.3.2.1 Ensure the IDPRF functionality.
		3.3.2.2 Ensure the functionality of ward committees.
		3.3.2.3 Ensure the functionality of the youth council.
	3.3.3 Ensure functional municipal structures	3.3.2.4 Ensure the functionality of the gender and disability forums.
		3.3.3.1 Ensure that all legislated council structures meetings seat.
		3.3.3.2 Ensure internal audit reporting.
		3.3.3.3 Ensure oversight reporting.

3.3.5 Local economic development

KPA	Local Economic development	Measurable objectives
Strategic Goal	4. Promoting and facilitating human development for effective economic participation	
Strategic Objective	4.1 Achieve a holistic human development and capacitation for the realization of skilled and employable workforce	
	4.2 Create employment opportunities	
Strategies	4.1.1 Improve the community skills base	4.1.1.1 Implement the community skills development plan
	4.1.2 Ensure the empowerment of youth, women and people living with disabilities	4.1.2.1 Implement the youth development plan
		4.1.2.2 Implement the women empowerment plan
		4.1.2.3 Implement the PLD empowerment plan
	4.2.1 Implement the EPWP programme	4.2.1.1 Create EPWP jobs.
	4.2.2 Strategically plan for the local economic development	4.2.2.1 Ensure the existence of an updated Local Economic Development strategy.
		4.2.3.1 Submit quarterly CWP reports to council.
	4.2.3 facilitate the implementation of the CWP	4.2.4.1 Implement the poverty alleviation plan
	4.2.4 Coordinate the fight against poverty	4.2.5.1 Ensure the existence of an updated agricultural plan.
	4.2.5 Unlock the agricultural potential	4.2.6.1 Submit quarterly mining applications reports to council.
	4.2.6 Promote the mining activities	4.2.7.1 Ensure the existence of the SMME development framework.
	4.2.7 Facilitate SMME development	4.2.8.1 Ensure the existence of a tourism sector plan.

3.3.6 Spatial rationale

KPA	Spatial Rationale	Measurable objectives
Strategic Goal	5. Promoting spatial and environmental management	
Strategic Objective	5.1 Realise a complete environmental protection	
	5.2 Facilitate a creation of a disaster ready community	
	5.3 Ensure an integrated and aligned development planning	
Strategies	5.1.1 Improve community awareness on environmental protection	5.1.1.1 Design and implement the community awareness programme on environmental protection
	5.2.1 Reduce community vulnerability to disasters	5.2.1.1 Implement the municipal disaster management plan
	5.3.1. Ensure the existence of the municipal development spatial reference	5.3.1.1 Adopt an updated SDF
	5.3.2 Ensure the existence of the municipal land use guideline	5.3.2.1 Review and Implement the municipality's Town Planning Scheme
		5.3.2.2 Initiate the implementation of SPLUMA
	5.3.3 Promote the municipal integrated planning	5.3.3.1 Review and adopt the IDP
	5.3.4 Facilitate the provision of integrated housing	5.3.4.1 Implement the informal settlement clearance plan
		5.3.4.2 Implement the housing sector plan
	5.3.5 Enable access to land and land tenure	5.3.5.1 Improve the land ownership levels